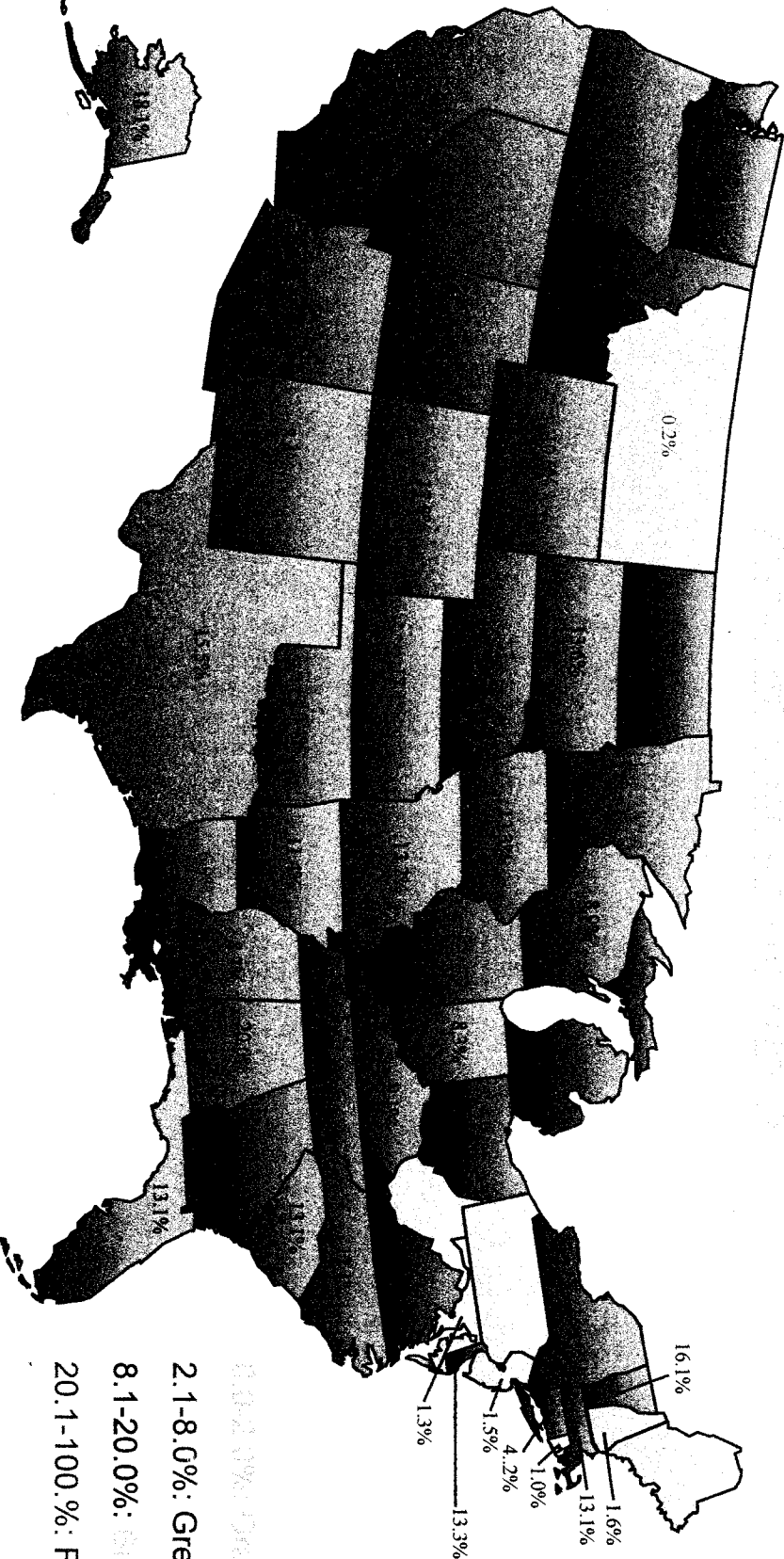


Public Power is All Across the Country



2.1-8.0%: Green
8.1-20.0%: Grey
20.1-100.0%: Red

Public Power is Hometown Power



U.S. Electric Industry Ownership and Consumers

Number of Systems	Type of System	Percent of Systems	Percent of Customers
2,007	Public Power	62%	14 %
882	Rural Electric Cooperatives	27%	12 %
230	Investor-owned Electric Utilities	7%	70 %
139	Power Marketers	4%	4 %

Source: American Public Power Association

Public Power Benefits Its Customers

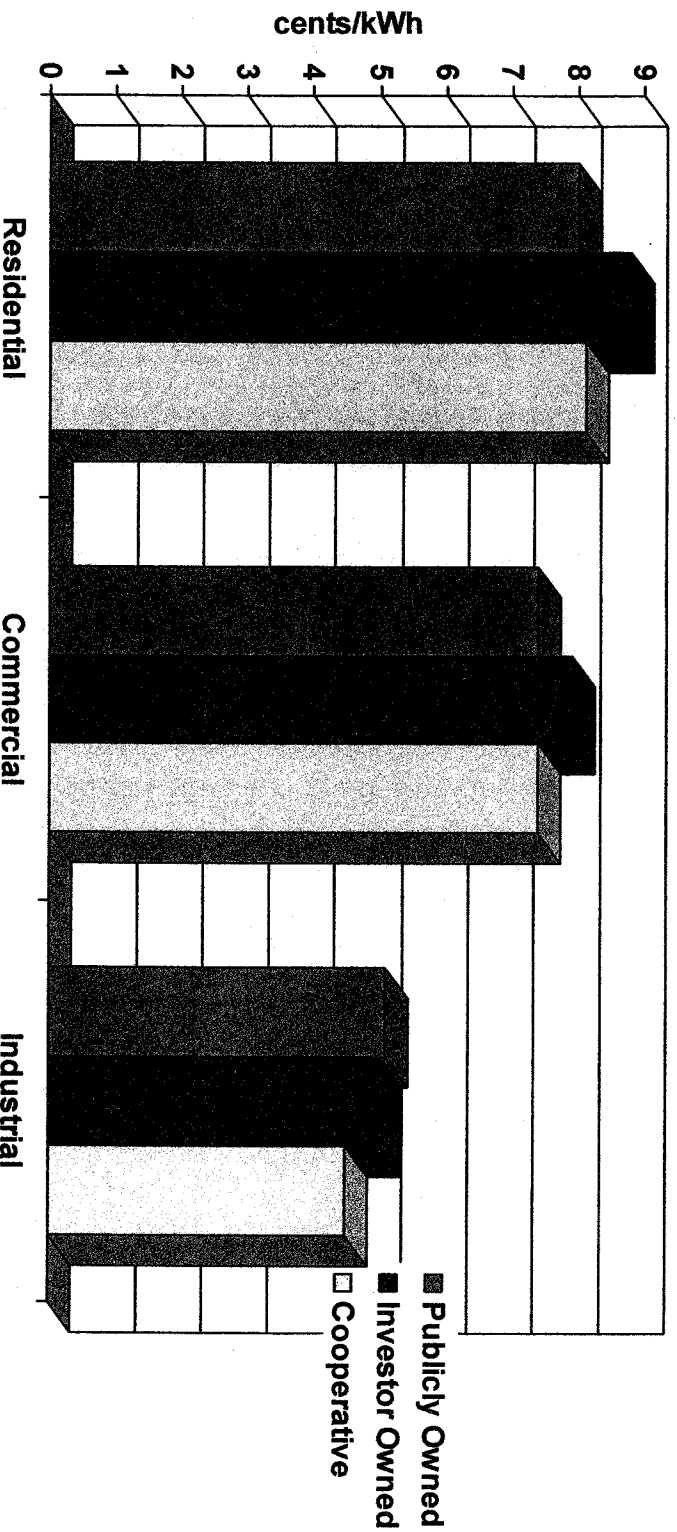
- Public Power is able to benefit its customers through:
 - A Single Focus
 - Local Control and Ownership
 - Dependable Customer Service and Reliability
 - Community Involvement
 - Tax-Exempt Funding
 - Eligible for Federal (BPA) power
 - Low-Cost Power



Public Power is Cheaper

- Across the country, publicly owned electric utilities continue to lead the way in providing customers with low-cost energy for homes and businesses

Retail Electric Rates

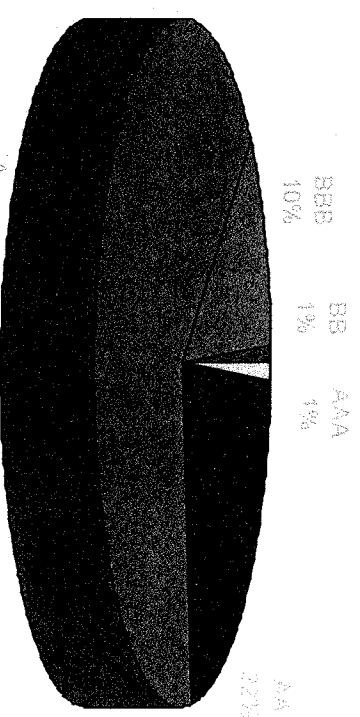


Source: American Public Power Association

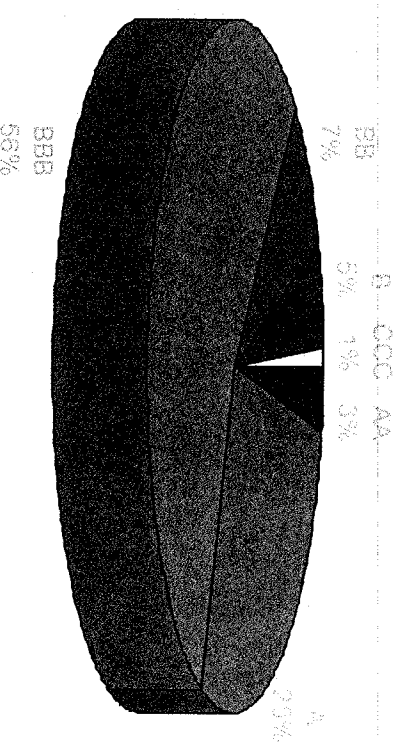
Public Power Has Better Credit Ratings

- All but one public power agency is rated in the investment grade category
- The median rating for the public power sector is in the 'A' to 'A+' category
- The median rating for IOU sector is in the 'BBB' category

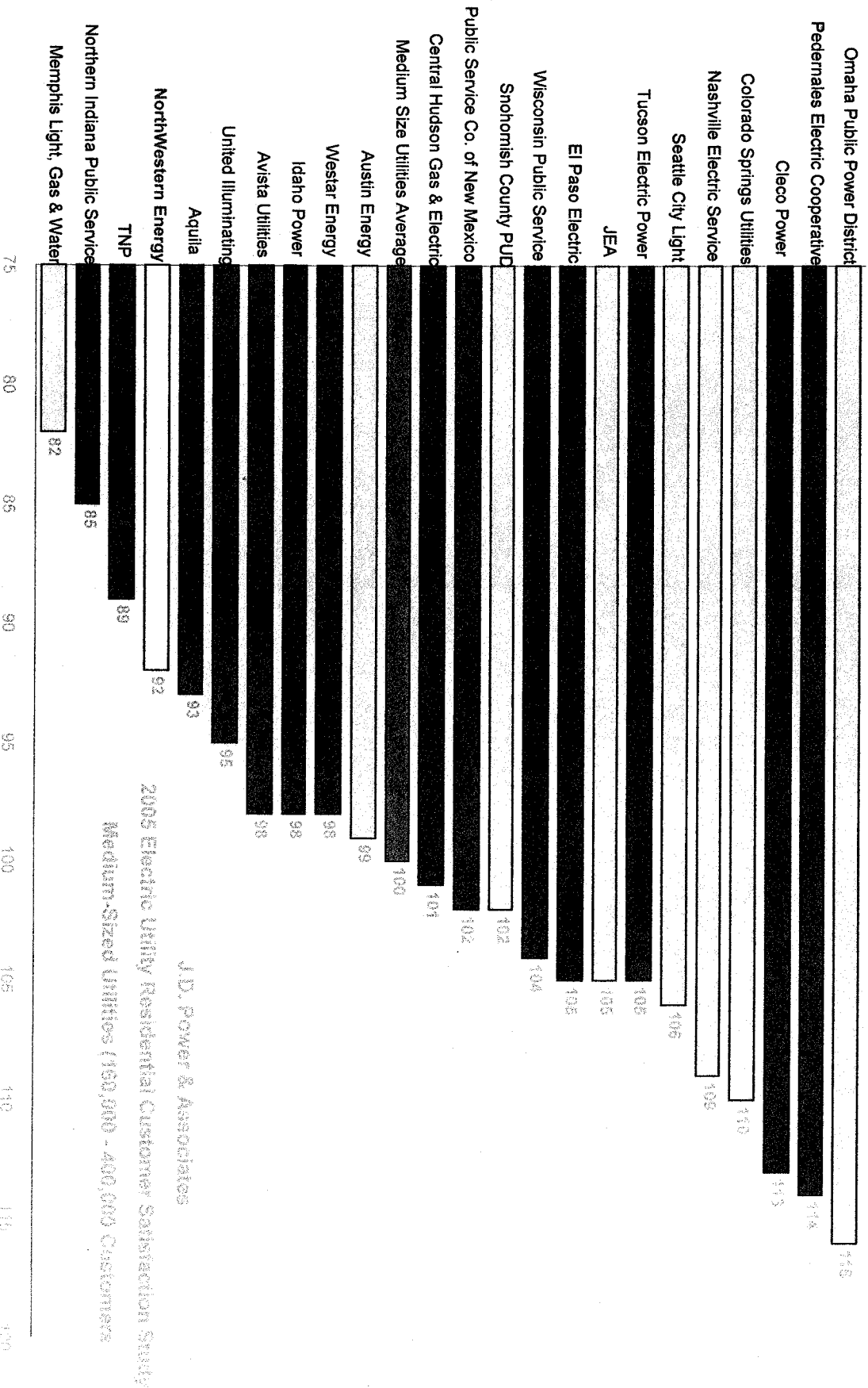
Public Power Ratings Distribution



IOU Ratings Distribution

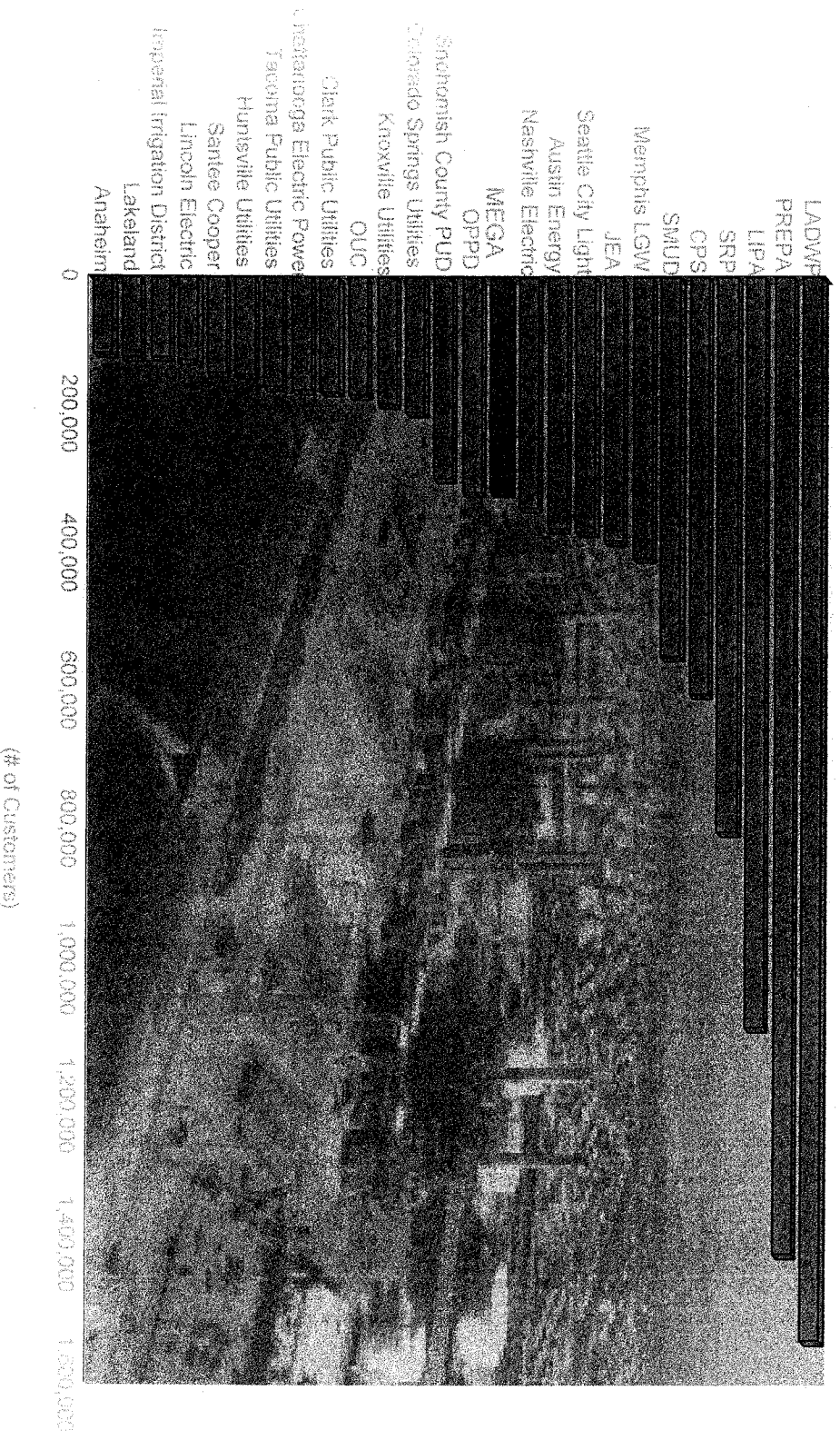


Public Power Produces Customer Satisfaction



MEGA Would be the 12th Largest Public Power System in the U.S.

Largest Public Power Agencies Ranked by Customers Served



Public Power Has Strong Support In Montana

- Published on Tuesday, December 27, 2005. Billings Gazette

- **“Poll: Voters like power plan purchase”**

- “HELENA - A strong majority of Montanans favor a proposal by five Montana cities to buy gas-and-electric utility NorthWestern Energy and convert it to a publicly owned utility, a Gazette State Poll shows.”

“Sixty-two percent of those surveyed said they support the Montana cities' proposal to buy out NorthWestern, a private utility that serves more than 300,000 customers in Montana and that emerged from bankruptcy last year. Only 17 percent opposed the buyout, and 21 percent were undecided.”

- Published on Tuesday, December 26, 2006. Billings Gazette

- “The poll also asked Montanans whether they like the idea of Australian-controlled firm Babcock & Brown Infrastructure buying out NorthWestern Energy, the state's largest electric-and-gas utility.”

“Fifty-one percent said they oppose the purchase, and only 18 percent liked the idea, leaving 31 percent undecided.”

- Emphasis added

Senate Bill 558

- Creates a state authority able to acquire and operate the current Northwestern Energy system
- The Authority is governed by a five member board initially appointed by the Governor and then elected by ratepayers
- Financing for acquisition would be through traditional revenue bonds
- Acquisition must be approved by the Montana Public Service Commission only after it finds that the purchase will result in rates that would be no higher than those under private ownership
- Rates are under the control of the MPSC (If the MPSC believes that ratemaking responsibility is incompatible with public ownership, then the bill could be amended to the remove MPSC ratemaking oversight)
- The law sunsets if the Babcock and Brown purchase proposal is completed or in ten years if the Authority does is not successful, which ever is first
- The cost to the state is projected at \$2 million and would be repaid if acquisition is successful
- Funding must be included in the Department of Commerce budget